

PETERSON COMPLEX

ECONOMIC IMPACT

STATEMENT

FY07 (1 OCT 06 - 30 SEP 07)



PREPARED BY FINANCIAL ANALYSIS

21ST SPACE WING

PETERSON AFB CO



DEPARTMENT OF THE AIR FORCE

21ST SPACE WING (AFSPC)

MEMORANDUM FOR SEE DISTRIBUTION

FROM: 21 SW/CC

775 Loring Avenue, Suite 205
Peterson AFB CO 80914-1290

SUBJECT: Economic Impact Analysis

1. The Economic Impact Analysis is our way of keeping the Colorado Springs and El Paso County Communities informed of the activities of Peterson Air Force Base and Cheyenne Mountain Air Force Station. It is a summary of key information concerning our mission, resources, personnel, and the overall economic impact on the Colorado Springs community in Fiscal Year 2007.
2. We thank the citizens of El Paso County for their outstanding cooperation and strong support. We look forward to continued cooperation in an effort to make our communities an even better place to work and live!


JOHN W. RAYMOND
Colonel, USAF
Commander

STATEMENT OF CLEARANCE

In accordance with AFI 10-1101, AFI 36-2623, and AFI 35-101, the information contained in this impact statement has been cleared through the Operations Security Office and the Public Affairs Office for public release.

PREFACE

ECONOMIC IMPACT ANALYSIS

The Peterson AFB and Cheyenne Mountain AFS Economic Impact Analysis (EIA) is a useful data resource for Air Force planners and a source of information for community leaders, legislators, and installation visitors. It presents the total economic impact and number of off-base secondary jobs supported by Air Force expenditures in the Economic Impact Region (EIR). The EIR for Peterson AFB and Cheyenne Mountain AFS covers the area within a 50 mile radius, including the city of Colorado Springs.

This EIA reflects information concerning Peterson AFB, Cheyenne Mountain AFS, and the Federal Building, annotated throughout this publication as "Peterson Complex." Schriever AFB is excluded as part of this EIA, except where noted.

Through close interaction with various agencies throughout the Peterson Complex, the 21st Space Wing Financial Analysis Division (FMA) compiled this FY07 EIA. The fiscal year data contained in the EIA reflects the time period of 1 Oct 06 - 30 Sep 07. We thank those members who helped contribute to this publication. Send suggestions or comments to:

Financial Analysis Flight
21st Comptroller Squadron
135 Dover Street, Suite 2009
Peterson AFB CO 80914-1137
Telephone (719) 556-4342
DSN: 834-4342

21 CPTS/FMA
As of: 14 January 2007

TEAM PETERSON MISSION STATEMENTS

NORAD Mission - In close collaboration with homeland defense, security, and law enforcement partners, prevent air attacks against North America, safeguard the sovereign airspaces of the United States and Canada by responding to unknown, unwanted and unauthorized air activity approaching and operating within these airspaces, and provide aerospace and maritime warning for North America.

USNORTHCOM Mission - Conduct operations to anticipate, deter, prevent, and defeat threats and aggression aimed at the United States, its territories, and interests within the assigned area of responsibility; and when directed, provide defense support of civil authorities including consequence management operations.

AFSPC Mission - To deliver trained and ready Airmen with unrivaled Space capabilities to defend America.

21st Space Wing's Mission – Conduct flawless missile warning and space control operations, provide unsurpassed installation support and protection, while developing and deploying warrior Airmen to defend America and our Allies.

302nd Airlift Wing's Mission - To train equip and employ airlift forces in worldwide support of our nation's vital interest. Their secondary mission is to provide aerial drops in support of local and national firefighting needs using the Modular Airborne Fire Fighting System (MAFFS).

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ECONOMIC IMPACT ANALYSIS

Peterson AFB - FY07

TABLE 1
PERSONNEL BY CLASSIFICATION AND HOUSING LOCATION

As of: 30-Sep-07

CLASSIFICATION	LIVING ON BASE	LIVING OFF BASE	TOTAL
1. APPROPRIATED FUND MILITARY			
Active Duty	393	3,244	3,637
Air Force Reserve/Air National Guard	0	1,984	1,984
Army/Navy/Marines/Coast Guard	77	318	395
Canadian Forces	1	135	136
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TOTAL:	471	5,681	6,152
2. ACTIVE DUTY MILITARY DEPENDENTS			
	1,035	5,126	6,161
3. APPROPRIATED FUND CIVILIANS			
General Schedule			2,105
Federal Wage Board			193
Other			4
		<hr/>	
		TOTAL:	2,302
4. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			351
Civilian BX			205
Contract Civilians (not elsewhere included)			2,749
Private Businesses On Base, By Type:			55
Branch Banks/Credit Union			13
Other Civilians (not elsewhere included)			42
		<hr/>	
		TOTAL:	3,360
TOTAL PERSONNEL:			17,975

ECONOMIC IMPACT ANALYSIS

Peterson AFB - FY07

TABLE 2

ANNUAL PAYROLL BY CLASSIFICATION AND HOUSING LOCATION

As of: 30-Sep-07

CLASSIFICATION	LIVING ON BASE (\$)	LIVING OFF BASE (\$)	TOTAL (\$)
1. APPROPRIATED FUND MILITARY			
Active Duty	\$15,522,478	\$231,848,680	\$247,371,158
ANG/Reserve	\$0	\$16,390,482	\$16,390,482
Army/Navy/Marines/Coast Guard	\$3,041,300	\$22,727,460	\$25,768,760
Canadian Forces	\$0	\$11,900,000	\$11,900,000
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TOTAL:	\$18,563,778	\$282,866,622	\$301,430,400
2. APPROPRIATED FUND CIVILIANS			
General Schedule			\$142,639,794
Federal Wage Board			\$8,546,050
Other			\$588,093
			<hr/>
		TOTAL:	\$151,773,937
3. NON-APPROPRIATED FUND CONTRACT CIVILIANS AND PRIVATE BUSINESS			
Civilian NAF			\$5,700,000
Civilian BX			\$1,664,500
Contract Civilians (not elsewhere included)			\$0
Private Businesses On Base, By Type:			\$381,288
Branch Banks/Credit Union			\$381,288
Other Civilians (not elsewhere included)			\$0
			<hr/>
		TOTAL:	\$7,745,788
TOTAL ANNUAL PAYROLL:			\$460,950,125

ECONOMIC IMPACT ANALYSIS

Peterson AFB - FY07

TABLE 3

EXPENDITURES FOR CONSTRUCTION, SERVICES, AND PROCUREMENT OF MATERIALS, EQUIPMENT, AND SUPPLIES

(Not including contracts for services supplied to other Air Force installations)

As of: 30-Sep-07

	ACTUAL ANNUAL EXPENDITURES
1. CONSTRUCTION	
Military Construction Program	\$39,025,863
Non-Appropriated Fund	\$75,900
Military Family Housing	\$27,491
O&M	\$23,559,634
Other	\$0

TOTAL:	\$62,688,888
2. SERVICES	
Services Contracts *	\$437,458,462
Other Services (not elsewhere included)	\$0

TOTAL:	\$437,458,462
3. MATERIALS, EQUIPMENT, AND SUPPLIES PROCUREMENT	
Commissary	\$10,398,945
Base Exchange (BX)	\$150,000
Health (CHAMPUS, Government cost only)	\$6,747,000
Education (Impact aid and tuition assistance)	\$4,379,793
TDY	\$7,418,730
Other Materials, Equipment & Supplies (not elsewhere included)	\$10,219,570

TOTAL:	\$39,314,038
TOTAL ANNUAL EXPENDITURES:	\$539,461,388

* Includes only contracts in the local economic area or contracts requiring the use of locally supplied goods and services.

ECONOMIC IMPACT ANALYSIS

Peterson AFB - FY07

TABLE 4

ESTIMATE OF NUMBER AND DOLLAR VALUE OF INDIRECT JOBS CREATED

As of: 30-Sep-07

Type of Personnel	# of Base Jobs	Multiplier	# of Indirect Jobs
ACTIVE DUTY MILITARY	4,168	0.41	1,709
RESERVE/ANG/TRAINees	1,984	0.16	317
DOD CIVILIANS	2,302	0.55	1,266
OTHER CIVILIANS	3,360	0.55	1,848
TOTAL:	11,814		5,140

ESTIMATED NUMBER OF INDIRECT JOBS CREATED: 5,140

AVERAGE ANNUAL PAY FOR THE LOCAL COMMUNITY: \$40,327

ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED: \$207,280,780

Data Sources:

Multipliers: LMI Economic Impact Database, Installations and Indirect/Induced Job Multipliers, Feb 95
Avg Annual Pay: Current tables for Average Annual Pay Levels in Metropolitan Areas and Average Annual Pay by State and Industry are accessible at: <http://stats.bls.gov:80/newsrels.htm#OEUS>

ECONOMIC IMPACT ANALYSIS

Peterson AFB - FY07

TABLE 5

TOTAL ANNUAL ECONOMIC IMPACT ESTIMATE

As of: 30-Sep-07

ANNUAL PAYROLL: \$460,950,125

Military	\$301,430,400
Federal Civilian	\$151,773,937
Other Civilian	\$7,745,788

ANNUAL EXPENDITURES: \$539,461,388

ESTIMATED ANNUAL DOLLAR VALUE OF JOBS CREATED: \$207,280,780

Estimated Indirect Jobs Created	5,140
Average Annual Pay	\$40,327

GRAND TOTAL:

\$1,207,692,293

Variances Between FY05 and FY06 Statistics

Category	Variance (+) (-)	Percentage	FY06	FY07
Personnel				
Appropriated Fund Military	197	3.3%	5,955	6,152
Active Duty Military Dependents	-146	-2.3%	6,307	6,161
Appropriated Fund Civilian	-89	-3.7%	2,391	2,302
Non-Appropriated Fund Contract Civilians and Private Business	28	0.8%	3,332	3,360
Total	-10	-0.1%	17,985	17,975
Annual Payroll				
Appropriated Fund Military	34,222,719	12.8%	267,207,681	301,430,400
Appropriated Civilian	-2,553,116	-1.7%	154,327,053	151,773,937
Non-appropriated Fund Contract Civilians and Private Business	-2,345,412	-23.2%	10,091,200	7,745,788
Total	29,324,191	6.8%	431,625,934	460,950,125
Expenditures for Construction, Service, and Procurement of Materials, Equipment and Supplies				
Construction	22,797,935	57.2%	39,890,953	62,688,888
Services	-35,491,474	-7.5%	472,949,936	437,458,462
Materials, Equipment and Supplies	-7,542,167	-16.1%	46,856,205	39,314,038
Total	-20,235,706	-3.6%	559,697,094	539,461,388
Estimated Annual Dollar Value of Jobs Created				
	5,082,082	2.5%	202,198,698	207,280,780
Total	5,082,082	2.5%	202,198,698	207,280,780
Grand Total Economic Impact (FY07 vs. FY06)	14,170,567	1.2%	1,193,521,726	1,207,692,293

Variances in EIS Numbers between FY06 & FY07

Table 1

Active Duty – The 3.3 percent increase primarily came from the increase of Air Force members assigned to Peterson AFB Complex.

Table 2

Total Annual Payroll – The 12.8 percent increase in overall annual payroll is primarily attributable to the increase in military payroll due to a slight increase of military personnel on the Peterson AFB complex. Increases were slightly offset by a decrease in APF civilian hires.

Table 3

Military Construction – Military construction by Army Corp of Engineering increased significantly by 57.2 percent and is attributable to the ADAL Mission Support Facility, various construction projects at the West and East Gates, new BX and Commissary, and an increase in O&M spending for facility repair and minor construction projects.

Service Contracts – Service contract spending decreased by 7.5 percent and is primarily a result of significant cuts in the 21st Space Wing FY07 operating budget. However, spending increases were noted in activities by CC2SG as well as the Base Commissary.

Materials, Equipment, Supplies Procurement - The most significant decrease in this category resulted from TRICARE expenditures which decreased slightly over last years data. Last year reports were generated from a system called PCMIS. PCMIS has since been decommissioned. FY07 reports have been generated from a system called M2 which is a reporting tool that is widely used in the Military Health System. The Regional TRICARE Management Activity located in Denver, Colorado is confident that the numbers generated from M2 are accurate and that it will be available to us in future years. This will ensure that the data will be in a consistent format from year to year in the future. FMA recommends establishing FY07 as the new baseline for comparing the annual growth for TRICARE costs.

Table 4

Estimated Annual Dollar Value of Jobs Created – Although civilian personnel decreased at PAFB, offsetting increases in military personnel resulted in an increase of 2.5 percent for the estimated dollar amount of indirectly created jobs in the local community. Local multipliers were utilized per guidance by the Bureau of Labor Statistics, US Department of Labor.

Table 5

Grand Total Economic Impact – An overall increase of approximately 2 percent was realized in FY07 as compared to FY06. In summary, the increase is directly attributable to the following factors:

- Increase in overall Active Duty military at PAFB due to mission requirements
- Increase in military construction expenditures due to various construction projects across the base.
- Increase in the number and dollar value of indirect jobs created in the local area.

DISTRIBUTION

21 CES/CC/CEH

21 CONS/CC

21 CPTS/FMFP

21 MSS/CC/DPF

21 SVS/CC

21 SW/MO

21 SW/PA

302 AW/FMA

AFAA/AAO

ESC Det 5

NORAD-USNORTHCOM/CS

SMC LSS

5 STAR BANK

ARMY AIR FORCE EXCHANGE SERVICE/GM PAFB/USAF

COLORADO DEPARTMENT OF EDUCATION

DEFENSE COMMISSARY AGENCY/MW/PET

ENT FEDERAL CREDIT UNION

TRICARE MANAGEMENT ACTIVITY OFFICE

U.S. ARMY CORP OF ENGINEERS